OVERVIEW

This section sets forth a summary of the principal laws, rules and regulations that may have material impact on our business.

PRC LAWS AND REGULATIONS

Regulation of Product Quality

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated by the Standing Committee of the National People's Congress on February 22, 1993, and most recently amended on December 29, 2018, this law applies to all activities involving the production and sale of processed and manufactured products intended for sale within China. Product quality shall be inspected and tested to be up to standard, and substandard products shall not be passed off as qualified ones. Industrial products that may endanger human health, personal safety, or property safety must comply with national or industry standards for such protections.

Pursuant to the Administrative Provisions on Compulsory Product Certification (《強制性產品認證管理規定》), issued by the former General Administration of Quality Supervision, Inspection and Quarantine (Order No. 117, effective September 1, 2009, last amended on September 9, 2022), products included in the catalog must be certified by a certification body designated by the Certification and Accreditation Administration, obtain a certification certificate issued by the designated certification body, and bear the certification mark before they may be manufactured, sold, imported, or used in other business activities. The Announcement of the State Administration for Market Regulation on Adjusting the Certification Mode for Certain Products within the Compulsory Product Certification Catalog (No. 57, 2025) further clarifies the applicable circumstances for self-declaration and third-party certification.

Regulations Relating to Consumer Protection

The Law of the PRC on Protecting Consumers' Rights and Interests (《中華人民共和國消費者權益保護法》) (the "Law on Protecting Consumers' Rights and Interests") was first promulgated by the NPC Standing Committee on October 31, 1993 and last amended on October 25, 2013, and came into effect on March 15, 2014. The Law on Protecting Consumers' Rights and Interests sets out the obligations of business operators and the rights and interests of consumers. Business operators must guarantee the quality, function, usage and term of validity of the goods or services they sell or provide. Consumers whose rights and interests have been damaged due to their purchase of goods or acceptance of services on online platforms may claim damages from the sellers or service providers. Online platform operators may be subject to liabilities if the lawful rights and interests of consumers are infringed in connection with consumers' purchase of goods or acceptance of services on online platforms and the online platform operators fail to provide consumers with authentic contact information of the sellers or service providers. The Regulations for the Implementation of the Law of the PRC on Protecting Consumers' Rights and Interests (《中華人民共和國消費者權益保護法實施條例》) was promulgated by the State Council on March 15, 2024 and came into effect on July 1, 2024, according to which, if the business operators adopt automatic extension, automatic renewal, or other similar mechanisms in connection with the provisions of their services, the business operators must prominently draw the attention of the consumers before they accept the service and before the dates of automatic extension, automatic renewal, or effectiveness of other mechanisms. Business operators are prohibited from sending commercial information or making commercial calls to consumers without their prior consent. If a consumer agrees to receive commercial information and/or commercial calls, the business operator must provide clear and easily accessible options for opting out. Upon the consumer's request to opt out, the business operator shall immediately stop sending commercial information or making commercial calls.

Regulation of Foreign Investment

Pursuant to the Company Law of the PRC (《中華人民共和國公司法》), promulgated by the SCNPC on December 29, 1993 and most recently amended on December 29, 2023 (effective July 1, 2024), companies established in China may take the form of limited liability company or a company limited by shares. Each company is a legal person with independent assets in its own name. The Company Law applies to foreign-invested companies unless relevant laws provide otherwise.

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which took effect on January 1, 2020 and replaced the previous primary laws and regulations governing foreign investment in China.

Pursuant to the Foreign Investment Law and its implementing rules, China adopts an administration system of pre-entry national treatment plus a negative list for foreign investment. The negative list shall be proposed by the competent investment and commerce authorities of the State Council together with other relevant departments, and promulgated upon approval by the State Council.

Investments in the PRC by Foreign Investors and foreign-invested enterprises were regulated by the Catalog for The Guidance of Foreign Investment Industries (《外商投資產業指導目錄》), last repealed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "Negative List 2024") which was promulgated by the National Development and Reform Commission and the Ministry of Commerce (MOFCOM) on September 6, 2024 and effective November 1, 2024 and the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》), promulgated by the National Development and Reform Commission and the MOFCOM on December 15, 2025 and became effective on February 1, 2026.

On December 30, 2019, the MOFCOM and the SAMR, jointly promulgated the Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. Under such measures, foreign investors or foreign-invested enterprises that conduct investment activities in China directly or indirectly shall submit investment-related information to the competent commerce authorities.

Regulation of Intellectual Property Rights

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and most recently amended on October 17, 2020 (effective June 1, 2021), and the Implementing Rules of the Patent Law (《中華人民共和國專利法實施細則》) provide for three types of patents, including "invention", "utility model" and "design".

Copyright

Copyright in the PRC, including copyrighted software, is principally protected under the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and last amended on November 11, 2020 (effective June 1, 2021) and related rules and regulations.

Trademark

Registered trademarks are protected under the Trademark Law of the PRC (《中華人民共和國商標法》) and related rules and regulations. Trademark registration is administered by the State Intellectual Property Office (formerly the Trademark Office of the SAIC). A registered trademark is valid for a renewable term of ten years, unless revoked.

Domain Name

Pursuant to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and effective as of November 1, 2017, domain name registrations shall be handled through legally established domain name service agencies, and applicants become domain name holders upon successful registration.

Regulations Relating to Anti-Monopoly and Anti-Unfair Competition

According to the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the NPC Standing Committee on September 2, 1993, effective from December 1, 1993 and most recently amended on 27 June 2025, unfair competition means that in its production or operation activity, a business operator disrupts the order of market competition and causes damage to the lawful rights and interests of other business operators or consumers, in violation of the Anti-unfair Competition Law of the PRC. Pursuant to the Anti-unfair Competition Law of the PRC, business operators shall follow the principles of voluntariness, equality, fairness, and good faith in market transactions, and abide by laws and commercial ethics. Business operators violating the Anti-unfair Competition Law of the PRC shall bear corresponding civil liability, administrative liability or criminal liability depending on the specific circumstances.

On May 6, 2024, the State Administration for Market Regulation promulgated the Interim Provisions on Anti-unfair Competition on Internet (《網絡反不正當競爭暫行規定》), which took effect on September 1, 2024. These Provisions provide a regulatory basis for preventing and deterring unfair competition practices on the internet, maintaining the market order of fair competition, encouraging innovation, protecting the legitimate rights and interests of operators and consumers, and promoting the regulated, sustained, and healthy development of the digital economy.

Regulations of Information Security and Data Privacy

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and effective from January 1, 2021, the personal information of a natural person shall be protected by the law. An information processor shall not disclose or tamper with any personal information collected or stored thereby; and without the consent of the natural person, no personal information shall be illegally provided to any other person.

On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate jointly released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information (《最高人民法院與最高人民檢察院聯合發布《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (the "Interpretations"), which came into effect on June 1, 2017, clarifies several concepts regarding the crime of "infringement of citizens' personal information" stipulated by Article 253A of the Criminal Law of the PRC (《中華人民共和國刑法》), including the "provision of citizens' personal information" and "illegally obtaining any citizen's personal information by other methods". In addition, the Interpretations specify the standards for determining "serious circumstances" and "particularly serious circumstances" of this crime.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》, the "Cybersecurity Law"), which became effective on June 1, 2017. The Law was subsequently amended pursuant to the Decision on Amending the Cybersecurity Law of the People's Republic of China adopted at the 18th Meeting of the Standing Committee of the 14th National People's Congress on October 28, 2025, and the amended version has taken effect as of January 1, 2026. The Cybersecurity Law applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. The Cybersecurity Law defines "network" as a system comprising computers or other information terminals and relevant facilities used for the purpose of collecting, storing, transmitting, exchanging and processing information in accordance with specific rules and procedures. "Network operators", who are broadly defined as owners and administrators of

networks and network service providers, are subject to various security protection-related obligations, including but not limited: (i) complying with security protection obligations under graded system for cybersecurity protection requirements, which include formulating internal security management rules and operating instructions, appointing cybersecurity responsible personnel and their duties, adopting technical measures to prevent computer viruses, cyber-attack, cyber-intrusion and other activities endangering cybersecurity, adopting technical measures to monitor and record network operation status and cybersecurity events; (ii) formulating a emergency plan and promptly responding and handling security risks, initiating the emergency plans, taking appropriate remedial measures and reporting to regulatory authorities in the event comprising cybersecurity threats; and (iii) following the principles of legality, legitimacy and necessity, disclosing the rules of collection and use, making clear the purpose, mean and scope of collection and use of information, and obtaining the consent of the person whose information is collected.

The Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021, provides that entities and individuals carrying out data activities shall establish a data classification and grading protection system and important data catalogs to enhance the protection of important data. Processors of important data shall specify the person responsible for data security and management agencies to implement data security protection responsibilities. Relevant authorities will establish the measures for the cross-border transfer of important data. If any company violates the Data Security Law of the PRC to provide important data outside China, such company may be punished by administration sanctions, including penalties, fines, and/or suspension of relevant business or revocation of the business license. In addition, the Data Security Law of the PRC provides a national security review procedure for those data activities which affect or may affect national security and imposes export restrictions on certain data and information.

On 28 December 2021, the Cyberspace Administration of China (the "CAC") promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "Cybersecurity Review Measures"), which came into effect on 15 February 2022. According to the Cybersecurity Review Measures, there are two mechanisms to trigger cybersecurity review: (a) review of voluntary declaration by enterprises: applicable to (i) critical information infrastructure operators that intend to purchase network products and services; (ii) a network platform operator that processes the personal information of more than one million people intends to be listed overseas (國外上市); and (b) initiation of review by regulatory authorities: for any member of the cybersecurity review working mechanism believes that any network product or service or data processing activity affects or is likely to affect national security. In this case, the Office of Cybersecurity Review shall report this circumstance to the Central Cyberspace Affairs Commission for approval, and conduct a review after approval.

On September 24, 2024, the State Council promulgated the Network Data Security Management Regulation, which will come into effect on January 1, 2025. (《網絡數據安全管理條例》), This regulation provides more detailed guidelines on the current rules on various aspects of data processing, including the processors' announcement of data processing rules, obtaining consents and separate consents, security of important data and cross-border transfer of data, and further obligations of platform operators.

Regulations on Import and Export of Goods

The Administrative Provisions of the Customs of the People's Republic of China on the Registration of Customs Declaration Entities (Revised in 2018) (《中華人民共和國海關報關單位註冊登記管理規定》(2018修訂)) promulgated by the General Administration of Customers of the PRC on May 29, 2018, has been replaced by the Administrative Provisions of the Customs of the People's Republic of China on Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) on November 19, 2021. As of now, local customs no longer issue the "Custom Registration Certificate for Declaration Units of the PRC", subsequent enterprises shall comply with the Administrative Provisions of the Customs of the PRC on the Filing of Customs Declaration Entities.

Labor Laws and Social Insurance

The PRC Labor Law (《中華人民共和國勞動法》), which was promulgated by the NPC in 1994, and most recently amended in 2018, stipulates the relationship between employers and employees. The PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was promulgated by the NPC in 2007, amended in 2012 and came into effect in 2013, and the Implementation Regulations on Labor Contract Law (《中華人民共和國勞動合同法實施條例》) which was promulgated by the State Council and came into effect in 2008, specifies the terms and conditions included in labor contracts to protect the rights and interests of the employees.

In addition, pursuant to the Social Insurance Law of PRC (《中華人民共和國社會保險法》) issued by the Standing Committee of NPC on October 28, 2010, amended and came into effect on December 29, 2018 and the Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) amended by the State Council and came into effect on March 24, 2019 and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) amended by the State Council and came into effect on March 24, 2019, employers in China are required to pay, at the applicable statutory rates, social insurance contributions (including basic pension, medical, unemployment, work-related injury and maternity insurance) and housing fund contributions for their employees.

The "Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases" (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) was promulgated by the Supreme People's Court on July 31, 2025, and came into effect on September 1, 2025. This Interpretation addresses common practices such as subcontracting, labor outsourcing, nominal affiliation, mixed employment arrangements, and failure to contribute to social insurance schemes. It aims to regulate unlawful behaviors whereby contractors, affiliated entities, or nominally associated parties evade responsibilities by shifting liabilities to each other or to entities without actual solvency.

The interpretation safeguards workers' fundamental rights, including remuneration, occupational safety and health, and social insurance benefits, in accordance with the law.

Regulation of Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989 and last amended on April 24, 2014 (effective January 1, 2015), outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Environmental Protection is authorized to establish national environmental quality and emission standards, and to monitor the national environmental protection scheme.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and most recently amended on December 29, 2018, the PRC government implements classified administration of construction projects based on their environmental impact. The construction unit shall prepare an environmental impact report, an environmental impact form, or complete an environmental impact registration form (collectively, the "Environmental Impact Assessment Documents") for submission or filing. Construction is prohibited if the Environmental Impact Assessment Documents have not been reviewed by the approving authority as required by law or have been reviewed but denied approval.

The Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and amended on July 16, 2017 (effective October 1, 2017), stipulate that, depending on the environmental impact of the construction project, the construction employer shall submit an environmental impact report, or an environmental impact statement, or file a registration form.

Regulation of Leasing

Based on the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》) promulgated by the NPC Standing Committee on July 5, 1994, and last amended on August 26, 2019 and effective from January 1, 2020, and the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective from February 1, 2011, the parties involved in house leasing shall conclude a lease contract in accordance with the law. Within 30 days after signing the lease contract, the parties involved shall complete the procedures for housing lease registration and filing with the competent authority for construction (real estate) of the people's government of the municipalities directly under the Central Government, cities or counties at the location of the leased property. In case of any violations of the above provisions, the competent authority for construction (real estate) of the people's government of the municipalities directly under the Central Government, cities or counties shall order corrections within a specified period; if an individual fails to make corrections within the deadline, a fine of less than RMB1,000 may be imposed; if an entity fails to correct within the deadline, a fine between RMB1,000 and RMB10,000 may be imposed. The Civil Code of the PRC states that if the parties involved fail to register and record the lease contract in accordance with laws and administrative regulations, it does not affect the validity of the contract.

Regulation of Construction Projects

According to the Administrative Regulations on Approval and Filing of Projects Invested by Enterprises (《企業投資項目核准和備案管理條例》) promulgated by the State Council on November 30, 2016 and became effect on February 1, 2017, projects which relate to national security or involve nationwide major productivity layout, development of strategic resources and significant public interest shall be subject to administration by way of approval. Other projects shall be subject to administration by way of filing. The aforesaid projects mean fixed assets investment projects invested and constructed in the PRC by enterprises. Where a project is subject to administration by way of filing, the enterprise has not notified the filing authority of the project information or change in the filed information for the project or has provided false information to the filing authority pursuant to the Administrative Regulations on Approval and Filing of Projects Invested by Enterprises, the filing authority shall order the enterprise to make correction within a stipulated period; where correction is not made within the stipulated period, a fine ranging from RMB20,000 to RMB50,000 shall be imposed.

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by SCNPC on November 1, 1997, which was last revised on April 23, 2019 and became effective on the same date, and the Administrative Measures on Construction Permits for Construction Projects (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development ("MOHURD") on October 15, 1999, which was last revised on March 30, 2021 and became effective on the same date, a project owner shall, prior to the commencement of construction, apply to the administrative department of housing and urban-rural development under the local people's government at or above the county level at the place where the construction project is located for a construction permit. For unauthorized construction without a construction permit, or by dividing a project for the purpose of avoiding the application for the construction permit, the permit issuing authority with jurisdiction shall order the offender to suspend the construction and make corrections with the time limit, impose a fine of more than 1% and less than 2% of the project contract price on the project owner and impose a fine of less than RMB30,000 on the construction entity.

According to the Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》) promulgated by the State Council on January 30, 2000, last revised on April 23, 2019 and effective on the same day, and the Administrative Measures for the Filing of As-built Inspection of Housing, Building and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》, the "Administrative Measures for the Filing of As-built Inspection") promulgated by the MOHURD on October 19, 2009 and effective on the same date, the construction entity shall, in accordance with the Administrative Measures for the Filing of As-built Inspection, go through the filing formalities with the construction administrative department of the people's government at or above the county level at the place where the project is located within 15 days as of the date on which the as-built inspection of

the project is passed. If the construction entity fails to go through the formalities for the filing of as-built inspection of the project within 15 days as of the date on which the project passes the as-built inspection, the filing organ shall order it to make a correction within a time limit, and impose a fine of not less than RMB200,000 but not more than RMB500,000.

Tax Regulations

Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) promulgated by the NPC on March 16, 2007 and most recently amended on December 29, 2018 (effective on the same day), and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on December 6, 2007 and most recently amended on December 6, 2024 (effective on January 20, 2025), enterprises are classified into "resident enterprises" and "non-resident enterprises." A resident enterprise refers to an enterprise that is established inside China, or which is established under the law of a foreign country (region) but whose actual office of management is inside China. A non-resident enterprise refers to an enterprise established under the law of a foreign country (region), whose actual institution of management is not inside China but which has offices or establishments inside China; or which does not have any offices or establishments inside China but has incomes sourced in China. Resident enterprises are subject to enterprise income tax at a rate of 25% on their worldwide income. The enterprise income tax on a small meagre-profit enterprise that meets the prescribed conditions shall be levied at a reduced tax rate of 20%. The enterprise income tax on important high- and new-tech enterprises that are necessary to be supported by the Chinese government shall be levied at the reduced tax rate of 15%.

Income Tax on Dividend Distribution

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation regulations, dividends paid by foreign-invested enterprises in China to foreign investors that are classified as non-resident enterprises, and that arise on or after January 1, 2008, are generally subject to a withholding income tax at a rate of 10%, unless otherwise provided in a tax treaty entered into between China and the jurisdiction in which the foreign investor is resident.

According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), promulgated by the State Taxation Administration on August 21, 2006 and became effective on December 8, 2006, dividends paid to a Hong Kong enterprise that directly holds no less than 25% of the equity in a PRC company shall be subject to a withholding tax rate of 5%; otherwise, a 10% withholding income tax shall apply.

Pursuant to the Notice of the State Taxation Administration on the Issues concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》), promulgated and became effective on February 20, 2009, if a transaction or arrangement is mainly for the purpose of obtaining preferential tax treatment, such transaction or arrangement shall not be deemed as a valid basis for applying the preferential provisions of the dividend clause in a tax agreement. Where a taxpayer improperly enjoys treaty benefits due to such transaction or arrangement, the competent tax authority is entitled to adjust the preferential tax treatment. According to the Announcement of the State Taxation Administration on Relevant Issues Concerning the "Beneficial Owner" in Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》), promulgated on February 3, 2018 and became effective on April 1, 2018, the determination of whether an applicant qualifies as a "beneficial owner" under a tax treaty will be made based on a comprehensive analysis of the actual circumstances of the case. This includes, but is not limited to, whether the applicant is obligated to pay over 50% of its income within twelve months to residents of a third country or region, whether the applicant engages in substantive business activities, and whether the counterpart jurisdiction under the tax treaty exempts or applies a minimal tax on the relevant income.

Under the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納税人享受協定待遇管理辦法》), promulgated by the State Taxation Administration on October 14, 2019 and became effective on January 1, 2020, non-resident taxpayers may claim tax treaty benefits based on a "self-assessment, declaration, and retention of relevant materials for future inspection" approach. Non-resident taxpayers who, upon self-assessment, determine that they meet the conditions for enjoying treaty benefits, may claim such benefits at the time of tax filing or through the withholding agent at the time of withholding declaration. They shall collect and retain the relevant data in accordance with the regulations for potential future inspection, and shall be subject to subsequent administrative oversight by the tax authorities.

PRC Value Added Tax

On March 23, 2016, the MOF and the STA jointly issued the Circular on the Pilot Program for Overall Implementation of the Collection of Value Added Tax Instead of Business Tax (《關於全面推開營業税改徵增值税試點的通知》), which took effect on May 1, 2016. It stipulates that enterprises previously subject to business tax, including those in construction, real estate, finance and modern service sectors, were required to pay VAT instead.

On March 20, 2019, the MOF, the STA and the General Administration of Customs issued the Announcement on Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》), which took effect on April 1, 2019, mainly to reduce VAT rates.

Regulation of Foreign Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), most recently amended in August 5, 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "SAFE Circular 19") on March 30, 2015, and it became effective on June 1, 2015, which was partially repealed on December 30, 2019, and latest amended on March 23, 2023.

In June 2016, SAFE further promulgated the Circular on the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "SAFE Circular 16"), which, among other things, amends certain provisions of SAFE Circular 19.

In October 2019, SAFE issued the Circular on Further Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "SAFE Circular 28"), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) (the "SAFE Circular 8"), issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements.

Laws and Regulations Relating to Foreign Exchange Registration for Overseas Investment by PRC Residents

Pursuant to the Notice of the State Administration of Foreign Exchange ("SAFE") on Relevant Issues Concerning Foreign Exchange Administrative for Domestic Residents to Engage in Overseas Investment and Financing and Round Trip Investment via Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "SAFE Circular 37"), issued and implemented by the SAFE on July 4, 2014, domestic residents (including domestic institutions and individual residents) who, for the purpose of investment and financing, directly establish or indirectly control overseas enterprises by using assets or equity interests of domestic enterprises legally held by them, or by using their legally held overseas assets or equity interests, are required to register such overseas enterprises with the local branch of SAFE as "special purpose vehicles" (SPVs) in accordance with SAFE Circular 37. In the event of changes to the basic information of a registered overseas SPV – such as changes in domestic individual shareholders, name, or operating period – or significant events such as capital increase or decrease, equity transfer or replacement, merger, or division involving domestic individual residents, the relevant parties must promptly complete the procedures for amendment registration of foreign exchange for overseas investment with the foreign exchange authority. Where a domestic resident fails to complete the relevant foreign exchange registration as required, fails to truthfully disclose the actual controller of the round-trip investment enterprise, or makes false representations, any outbound remittance, inbound remittance, or foreign exchange settlement may be subject to rectification orders, warnings, and fines imposed by the foreign exchange authority.

In addition, according to SAFE Circular 37, where a non-listed SPV uses its equity or stock options as the underlying for equity incentive plans targeting directors, supervisors, senior management, or other employees with employment or labor relationships in domestic enterprises under its direct or indirect control, the relevant domestic individual residents may submit the required materials to the foreign exchange authority to apply for foreign exchange registration for the SPV prior to the exercise of such rights. However, in practice, local branches of SAFE may have different interpretations and implementations of SAFE Circular 37. Moreover, as SAFE Circular 37 is the first regulation governing the granting of equity incentives by overseas non-listed companies to domestic residents, there remains a degree of uncertainty in its implementation.

Laws and Regulations Relating to Employee Equity Incentive Plans

According to the Notice of the SAFE on Issues concerning the Foreign Exchange Administration of Domestic Individuals' Participation in Equity Incentive Plans of Overseas Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) ("SAFE Circular 7"), issued by the SAFE on February 15, 2012, employees, directors, supervisors, and other senior management personnel who are Chinese citizens or non-Chinese citizens who have continuously resided in China for not less than one.

Regulation of Overseas Securities Offering and Listing

On February 17, 2023, the China Securities Regulatory Commission of the PRC (the "CSRC") issued the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "Interim Measures for Overseas Listing") along with five supportive guidelines, which took effect on March 31, 2023. Prior to this, the foundational regulations governing the overseas offering and listing by domestic enterprises, namely the Special Provisions of the State Council on Issuing and Listing of Shares Abroad by Companies Limited by Shares (《國務院關於股份有限公司境外募集股份及上市的特別規定》) and the Circular of the State Council on Further Strengthening the Management of Share Issuance and Listing Overseas (《國務院關於進一步加強在境外發行股票和上市管理的通知》), were simultaneously abolished on March 31, 2023.

According to the Interim Measures for Overseas Listing, domestic enterprises seeking to offer and list securities directly or indirectly in foreign markets are required to complete filing procedures with the CSRC and submit relevant documentation. The Interim Measures for Overseas Listing specify that no overseas offering and listing shall be conducted under any of the following circumstances: (i) Financing through listing is expressly prohibited by laws, administrative regulations or relevant rules of the State; (ii) the overseas offering and listing may endanger national security as determined by the relevant competent department under the State Council after examination according to the law; (iii) a domestic enterprise or its controlling shareholder or actual controller has committed a criminal crime of corruption, bribery, embezzlement, misappropriation of property or disrupting the economic order of the socialist market in the last three years; (iv) a domestic enterprise is under formal investigation according to the law for being suspected of any crime or major violation of laws and regulations, but no clear conclusions have been made; or (v) there is a major dispute over ownership of the equity held by the controlling shareholder or a shareholder controlled by the controlling shareholder or the actual controller.

The Interim Measures for Overseas Listing also specify that any overseas offering and listing conducted by an issuer that concurrently meets the following conditions shall be determined as indirect overseas offering and listing by a domestic enterprise: (i) Among the operating revenue, total profits, total assets or net assets of the domestic enterprise in the most recent fiscal year, any index accounts for over 50% of the relevant data in the audited consolidated financial statements of the issuer for the same period; and (ii) the main parts of the business activities of the issuer are carried out in China Mainland or the main business places are located in China Mainland, or most of the senior executives in charge of business operation are Chinese citizens, or their habitual residences are located in China Mainland. An issuer applying to relevant offshore regulatory authorities for an initial public offering shall undergo the recordation formalities with the CSRC within three working days after the application documents for offering and listing are submitted overseas. Furthermore, the Interim Measures for Overseas Listing stipulate that upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to the CSRC within three working days after the occurrence and public disclosure of the event: change of control; investigations or sanctions imposed by overseas securities regulatory agencies or relevant competent authorities; change of listing status or transfer of listing segment; voluntary or mandatory delisting.

To enhance confidentiality and archives administration related to domestic enterprises' overseas offering and listing, on February 24, 2023, the CSRC, jointly with the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration, issued the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (CSRC Announcement [2023] No. 44), which took effect on March 31, 2023 and supersedes the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offering and Listing (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》) (CSRC Announcement [2009] No. 29). These Provisions outline procedural requirements and specify enterprises' confidentiality responsibilities and accounting archives administration standards, in alignment with the Interim Measures for Overseas Listing.

U.S. LAWS AND REGULATIONS IN RELATION TO COMPANY GOVERNANCE

Regulations on Product Liability

Product liability in the United States is governed primarily by state law, as it is part of tort law, which is largely developed through court decisions. These laws define the responsibilities and liabilities of manufacturers, distributors, and sellers for the safety and quality of their products. At the federal level, consumer product safety is principally regulated under the Consumer Product Safety Act, as amended, and enforced by the Consumer Product Safety Commission.

Federal Communications Commission Regulation

The marketing and sale of radio frequency devices in the United States are regulated under Section 302 of the Communications Act of 1934, as amended, and related rules of the U.S. Federal Communications Commission. Depending on the type of device, equipment authorization may be required prior to marketing, typically through certification or, for certain devices, a supplier's declaration of conformity.

U.S. Food and Drug Administration Regulation

The U.S. Food and Drug Administration ("**FDA**") regulates medical devices under the U.S. Federal Food, Drug, and Cosmetic Act ("**FD&C Act**"). The FD&C Act defines "device" broadly to include instruments, machines, contrivances, implants, or other similar articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease, or intended to affect the structure or any function of the body. Manufacturers and certain importers of medical devices are generally required to register their establishments and list their devices with the FDA, and registration information must be verified annually.

Regulations on Data Protection and User Privacy

Data protection and user privacy in the United States are regulated by a combination of federal and state laws, as well as common law principles. At the federal level, key laws include the Children's Online Privacy Protection Act and the Federal Trade Commission Act, under which the Federal Trade Commission enforces prohibitions against unfair or deceptive acts or practices. At the state level, laws such as the California Consumer Privacy Act, as amended by the California Privacy Rights Act, impose additional obligations on businesses regarding the collection, use, and disclosure of personal information of California residents, including transparency, consumer rights, and data governance requirements.

Intellectual Property Laws

Intellectual property protection in the United States is primarily governed by federal law. Patent rights are governed by the Patent Act, which gives the patent owner the right to exclude others from making, using, offering for sale, selling, or importing the patented invention in the United States. Copyright protection is governed by the Copyright Act, under which original works of authorship fixed in a tangible medium are protected upon creation. Trademark rights are governed by the Lanham Act, which provides for federal registration with the U.S. Patent and Trademark Office. Trade secrets are protected under the Defend Trade Secrets Act and analogous state laws.

Anti-Trust Laws

The principal federal statutes governing antitrust and competition matters in the United States are the Sherman Antitrust Act, the Clayton Act, and Section 5 of the Federal Trade Commission Act. These statutes are enforced by the U.S. Department of Justice Antitrust Division and the Federal Trade Commission, and may also be enforced through private civil litigation. Violations may result in injunctive relief, civil enforcement, private damages actions, and, in the case of criminal violations of the Sherman Act, criminal fines and imprisonment.

U.S. LAWS AND REGULATIONS IN RELATION TO OIR, EXPORT CONTROLS AND SANCTIONS

U.S. Outbound Investment Rule

On October 28, 2024, the U.S. Department of the Treasury ("Treasury") issued the Final Rule on Outbound Investment ("Outbound Investment Rule"), which implements Executive Order 14105, *Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern*. The Outbound Investment Rule became effective on January 2, 2025.

The Outbound Investment Rule aims to mitigate national security risks associated with investments in sensitive technologies such as semiconductors, artificial intelligence (AI), quantum computing, and supercomputing in identified "countries of concern". Currently, "countries of concern" under the Outbound Investment Rule are limited to the PRC, including the Special Administrative Region of Hong Kong (Hong Kong), and the Special Administrative Region of Macau (Macau).

The Outbound Investment Rule became effective on January 2, 2025, and under the Outbound Investment Rule, "U.S. persons" are subject to certain prohibitions and notification obligations when engaging in certain transactions with "covered foreign persons."

On December 18, 2025, President of the United States signed into law the Fiscal Year 2026 National Defense Authorization Act, which includes the Comprehensive Outbound Investment National Security Act of 2025 ("COINS Act"). The COINS Act largely codifies the core of the current Outbound Investment Rule while making certain modifications. While the COINS Act was legally enacted and effective on December 18, 2025, it is not self-executing and it does not replace or amend the Outbound Investment Rule immediately. The COINS Act is a U.S. federal statute that provides the statutory basis for further rulemaking. The COINS Act requires the Treasury to, within 450 days from passage, promulgate new or amended regulations (which may then amend or replace the Outbound Investment Rule) to implement the statute.

If a U.S. person engages in a "covered transaction," including a transaction that involves the acquisition of the equity interests of a "covered foreign person" that are not yet publicly traded, such U.S. person may be prohibited from engaging in such transaction or need to make a notification pursuant to the Outbound Investment Rule. On December 23, 2025, the U.S. Department of Treasury published additional frequently asked questions ("FAQs") on the Outbound Investment Rule. One of these FAQs (X. 4) provides that absent additional facts, when a U.S. person acquires an equity interest in a "covered foreign person," and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a "publicly traded security" in 31 C.F.R. §850.501(a)(1)(i), regardless of when an agreement to make its investments is entered into.

U.S. Export Controls

The Export Control Reform Act of 2018 authorizes the U.S. President to implement "dual-use" export controls. Pursuant to this statutory authority, the U.S. Department of Commerce, Bureau of Industry and Security ("BIS") administers the Export Administration Regulations ("EAR"), codified at 15 C.F.R. § 730 et seq. The EAR control the export, reexport, and transfer (in-country) of dual-use commodities, software and technology. The EAR apply to all items "subject to the EAR" as defined at 15 C.F.R. §§ 734.2 – 734.5. Items subject to the EAR include U.S.-made items and items physically in the U.S. as well as certain non-U.S. made items. The EAR applies to goods, software and technology subject to the EAR located anywhere in the world. Depending on the destination country, end-user, end use, and the classification of the item on the Commerce Control List, transferring, exporting, or re-exporting an item subject to the EAR may require a U.S. export license unless a license exception is available.

In October 2022, BIS issued an interim final rule (the "BIS October 2022 IFR") requiring license for exports, re-exports, or transfers of any item subject to the EAR when there is "knowledge" that the item is destined for end use in the development or production of integrated circuits at a fab in China that fabricates integrated circuits meeting certain criteria. The BIS October 2022 IFR was amended in October 2023 to strengthen export controls relating to advanced computing and semiconductor manufacturing equipment. On December 2, 2024, BIS issued an interim final rule and a final rule, which expanded controls in the EAR on advanced computing and semiconductor manufacturing items.

Under the EAR, the restrictions applicable to Entity List parties include licensing requirements for exports, re-exports or transfers of items subject to the EAR, which in most cases prevents these named entities from receiving essentially any such item, including, in some cases through the application of the EAR's foreign direct product rules, to items produced outside the United States. In addition, on September 29, 2025, the BIS issued an interim final rule extending Entity List restrictions to non-listed foreign entities that are 50% or more owned, directly or indirectly and in the aggregate, by parties on the Entity List or certain other restricted party lists (the "Affiliates Rule"). However, the United States has suspended implementation of the Affiliates Rule for one year beginning November 10, 2025. As a result, this extension of Entity List restrictions is not expected to apply during the suspension period unless BIS issues implementing rules to the contrary or the suspension is modified or revoked.

U.S. Sanctions

The U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers regulations imposing economic sanctions on countries and designated individuals and entities. These regulations implement Executive Orders issued by the President primarily under the International Emergency Economic Powers Act ("IEEPA"). The United States maintains a set of complex restrictions on transactions involving embargoed countries and regions. As of the date of this Document, Cuba, Iran, North Korea, and the Crimea, Donetsk and Luhansk regions of Ukraine are the subject of comprehensive U.S. embargoes. Other sanctions programs target activities such as terrorism, drug trafficking, human rights, and other matters of importance to U.S. national security and foreign policy. There are also strict, "near-comprehensive" sanctions in place against certain other jurisdictions such as the Russian Federation. OFAC implements "primary" and "secondary" sanctions with specific restrictions unique to each individual sanctions program. Sanctioned persons are identified on OFAC's List of Specially Designated Nationals and Blocked Persons ("SDN"). All assets of SDNs are blocked and U.S. persons are generally prohibited from dealing with them absent an applicable OFAC license or exemption.

U.S. Tariff Regulations

The importation of goods into the U.S. is mainly governed by the Tariff Act of 1930, the Customs Modernization Act, and regulations issued by U.S. Customs and Border Protection ("CBP"). In recent years, the U.S. government has increasingly used the Trade Expansion Act of 1962, the Trade Act of 1974 (the "Trade Act"), and, under the Trump Administration, new authorities including IEEPA and Section 122 of the Trade Act, to regulate imports and impose duties. All goods imported into the U.S. are classified for tariff purposes under the Harmonized Tariff Schedule ("HTS") of the U.S. The HTS is maintained by the U.S. International Trade Commission ("ITC") and is regularly updated to reflect changes in international trade and tariff policy, including Executive Orders and Presidential Proclamations from the White House. Every product imported into the U.S. must be classified under a specific HTS subheading. Key government agencies involved in the administration of international trade and tariffs include the U.S. Department of Commerce ("Commerce Department"), CBP, the ITC, and the Office of the U.S. Trade Representative ("USTR").

Section 301 Tariff

The most important tool of USTR in the current trade policy landscape is Section 301 of the Trade Act of 1974 ("Section 301"), which allows the President to impose tariffs or other import measures to combat unfair foreign trade practices. In the first Trump Administration, the U.S. imposed wide-ranging tariffs on imports from China under Section 301 of the Trade Act of 1974, ranging from 7.5% to 25%, following an investigation into alleged technology transfer. Those tariffs, which first took effect in 2018, were extended under the Biden Administration and remain in effect today, subject to select exemptions granted by USTR.

Section 232 Tariff

The Commerce Department is responsible for the enforcement of the antidumping and countervailing duty (AD/CVD) laws and for conducting investigations under Section 232 of the Trade Expansion Act of 1962 ("Section 232"). Section 232 authorizes the Commerce Department to assess whether imports of a specific product threaten to impair U.S. national security. The Trump Administration has recently taken actions pursuant to Commerce Department's investigations into imports of semiconductors, processed critical minerals, and their derivatives, among other products. Additionally, prolonged trade disputes may affect global economic conditions and supply chains, potentially impacting our business and growth prospects.

IEEPA-based Tariff and Section 122 Tariff

Starting from February 2025, the U.S. government imposed a series of tariff increases on imports from China, including two sets of tariffs under the International Economic Emergency Powers Act ("IEEPA"). In response to the multiple rounds of tariff increases by the U.S. government, China also announced several rounds of retaliatory tariffs on goods imported from the U.S. For example, the United States government imposed a 20% tariff to address the fentanyl issue, and, temporarily, a 125% reciprocal tariff on Chinese-origin goods. In May 2025, following a meeting between U.S. and Chinese officials in Geneva, the U.S. government suspended the heightened retaliatory "reciprocal" tariffs on China for 90

days, reducing such "reciprocal" rate to 10%, which was extended for 90 days by mutual agreement in August 2025. On November 1, 2025, the U.S. and China announced their agreement to relax certain tariff and other trade controls. The United States has lowered the tariffs on Chinese imports imposed to curb fentanyl flows by removing 10 percentage points of the cumulative rate of 20%, effective November 10, 2025, and continued its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026. On February 20, 2026, the U.S. Supreme Court ruled that the President lacked authority to impose tariffs under IEEPA. The reciprocal and fentanyl tariffs imposed on goods imported from China are thus *void ab initio*, and the Group's goods imported into the U.S. are no longer subject to IEEPA tariffs. The Trump Administration has already sought to replace the IEEPA tariffs with a 10% tariff under Section 122 of the Trade Act, effective February 24, 2026. Section 122 authorizes the President to impose tariffs up to 15% to address "balance of payments" concerns for a maximum of 150 days. The Trump Administration will likely seek to impose additional tariffs under other statutory authorities, including Section 301, when the Section 122 tariffs lapse after 150 days.

JAPANESE LAWS AND REGULATIONS

Product Liability and Consumer Protection

Under Japan's Product Liability Act (Act No. 85 of 1994), a manufacturer or equivalent party — including importers — is strictly liable for harm caused to life, body, or property resulting from product defects. This statutory regime imposes liability on any party meeting the definition of "manufacturer, etc.," including those importing the products into Japan.

Labor, Employment, and Workplace Safety

Japan's employment framework is defined by a suite of key statutes such as the Labor Standards Act (Act No. 49 of 1947), the Industrial Safety and Health Act (Act No. 57 of 1972), and the Labor Contracts Act (Act No. 128 of 2007). The Labor Standards Act sets minimum terms for workplace conditions including working hours and leave entitlements. The Industrial Safety and Health Act mandates policies and practices to ensure worker safety and protect employee health. The Labor Contracts Act governs issues such as employment contract amendments, termination, and disciplinary proceedings.

Cross-border Trade and Import Regulation

The import of goods into Japan is primarily regulated by the Customs Act (Act No. 61 of 1954). Importers are required to submit import declarations and pay any applicable customs duties. Japan Customs may inspect goods upon declaration and authorizes importation following confirmation of duty payment. Where other statutes require specific import permits, importers must obtain these prior to making their customs declaration; however, industrial robots do not generally require special import approval.

Taxation Laws and Regulations

Japanese companies are primarily subject to corporate tax obligations, which are comprised of two principal components: one portion is assessed based on the prior year's taxable income while the other is a fixed levy independent of income. The applicable tax rates and amounts vary according to a company's income level, capital structure, and workforce size. In addition, Japanese companies are subject to various other taxes based on transactions and property holdings, including consumption tax and property tax.

Data Privacy and Security

The Act on the Protection of Personal Information (Act No. 57 of 2003) of Japan imposes various requirements on businesses that use databases containing personal information. Under this Act, any holder of personal information must lawfully use such personal information and must not use it beyond the scope of the purposes specified when the information was obtained. Entities holding personal information are also restricted from providing personal information to third parties, subject to certain narrow exceptions. This Act is also applicable to the operators outside Japan which obtain personal information in relation to the provision of goods or services to persons in Japan.

Legal Compliance

The primary legal framework punishing money laundering in Japan is the Act on Punishment of Organized Crimes and Control of Proceeds of Crime (Act No. 136 of 1999). The purpose of this Act is to strengthen punishment for organized criminal acts as well as acts intended to conceal or receive proceeds of crimes. The Act regulates conduct involving criminal proceeds, in particular the concealment or disguise of their origin, acquisition, or disposition. It defines "criminal proceeds" broadly to include property derived from or obtained as a reward for specified serious offenses, such as drug-related crimes, prostitution-related crimes, weapons offenses, bribery (including bribery of foreign public officials), and terrorism-related activities. In addition, for the purpose of preventing money laundering, Japan has enacted the Act on Prevention of Transfer of Criminal Proceeds (Act No. 22 of 2007), which requires financial institutions and other entities to verify and report suspicious transactions.

HONG KONG LAWS AND REGULATIONS

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong)

The Business Registration Ordinance requires every entity carrying on any business shall apply to the Commissioner of Inland Revenue in the prescribed manner for the registration of that business. The Commissioner of Inland Revenue must register each business for which a business registration application is made and as soon as practicable after the prescribed business registration fee and levy are paid and issue a business registration certificate or branch registration certificate for the relevant business or the relevant branch as the case may be.

A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for business registration shall be guilty of an offence and shall be liable to a fine of HK$5,000 and to imprisonment for one year.

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)

The Inland Revenue Ordinance is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The Inland Revenue Ordinance provides, among others, that persons, which include corporations, partnerships, trustees and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the date of capital assets) arising in or derived from Hong Kong from such trade, profession or business.

As at the Latest Practicable Date, the standard profits tax rate for corporations is currently at 8.25% on assessable profits up to HK$2,000,000; and 16.5% on any part of assessable profits over HK$2,000,000. The Inland Revenue Ordinance also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowance for depreciation. As our Group carries out business in Hong Kong, we are subject to the profits tax regime under the Inland Revenue Ordinance.

Employment Ordinance (Chapter 57 of the Laws of Hong Kong)

The Employment Ordinance governs conditions of employment in Hong Kong. It provides for various employment-related benefits and entitlements to employees. All employees covered by the Employment Ordinance, irrespective of their hours of work, are entitled to protection including payment of wages, restrictions on wages deductions and the granting of statutory holidays.

Employees who are employed under a continuous contract are further entitled to benefits such as rest days, paid annual leave, sickness allowance, severance payment and long service payment.